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24 August 1983

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence
Deputy Director for OperationsFROM:
Chief, Near East and South Asia Division

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SUBJECT: Proposal for a 1 September Statement
Regarding the Reagan Plan

1. American policy now seems dangerously adrift in the Middle East. Sympathy with the U.S. position in Lebanon is eroding daily--to the point where even the Egyptian Minister of State for Foreign Affairs told journalists he could understand why the Syrians had reacted against withdrawing from Lebanon at the same time the Israelis did.

2. What has gone wrong? Why are we suddenly thrashing about for a way to get out of this trap? It seems to be a problem of perception, power and fairness.

-- perception, in that our policymakers would not be persuaded that the withdrawal agreement they were fashioning with Israel and Lebanon would not be acceptable to the Syrians and therefore would not achieve a Syrian pullout from Lebanon

-- power, in that the spectacle of the American powerlessness to move the situation in Lebanon off dead center has caused the Arab moderates to shift their sails and become increasingly indulgent toward the Syrian point of view.

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--fairness, in that in the backdrop to the Lebanese events the U.S. is seen as drastically one-sided on the overall Palestinian issue. The latest U.N. Security Council vote, in which the U.S. cast a negative vote rather than its customary abstention and during which U.S. officials said it would be (a) impractical to dismantle the settlements and (b) a useless exercise to question their legality, has caused more consternation in the Arab world than has been generally perceived.

3. There is not much we can do about the first two: the misperception of Syrian intentions is a thing of the past; and outside powers have generally proven helpless to affect the course of events in Lebanon. However, there is something we can do to affect the fairness issue--although it is very late in the game.

4. I would recommend that on the 1 September anniversary of the Reagan Plan, an announcement or statement be made--by the President or the Secretary of State--reaffirming the points of the Reagan Plan particularly as regards the settlements issue, namely:

--that whereas we do not oppose Jews living in any part of the West Bank, we do not support the continuation of these settlements as extra-territorial outposts. The settlements must come under authority of whatever permanent government is eventually formed in the West Bank.

--that while we (the U.S.) will not attempt to force an outcome on the parties to the negotiations, we will nevertheless take a position during the negotiations which we will maintain throughout: that is, autonomy for the West Bank in association with Jordan.

5. The Reagan Plan has many critics, the most realistic of whom were skeptical early on that the consequences of a rejection of it by Israel (or by the Arabs) had not been adequately thought through. The great merit of the Reagan Plan is that conceptually it substituted autonomy for the West Bank in association with Israel (the Begin Plan) for autonomy in association with Jordan. Moreover, it is the President's Plan and has his name on it even though it was conceived by George Shultz and his small group of advisors in the Middle East Seminar group which he formed shortly after entering office. Now it is a year later and nothing has been done on the Plan. The President's prestige has been damaged. However much some U.S. officials would like to pretend that it isn't so, or hope that it isn't so, the fair-minded approach

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exemplified in the Reagan Plan has given way to an Arab perception that the U.S. has become completely one-sided in favor of Israel. The culmination of Arab frustration came with the U.N. Security Council vote on the settlements issue (a vote which I understand was not even cleared beforehand with the State Department's Bureau of Near East Affairs.) In these circumstances, it is hardly surprising (though it is disturbing) that the departing Saudi Ambassador to Washington, Faysal Alhegelan, went around saying prior to his departure that after a year in office, George Shultz has become the most pro-Israeli Secretary of State in history.

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